FISCAL NOTE

Bill #: HB0016

Title: Maximize interest by limiting interentity loans

Primary Sponsor: Rep. Dee Brown

Status: First reading

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY2003 Difference	FY2004 Difference	FY2005 Difference
Revenue:			
General Fund	855,703	1,176,592	1,497,481
Net Impact on General Fund Balance:	**855,703**	**1,176,592**	**1,497,481**

Yes	No		Yes	No	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. Loans from the General Fund and other funds are given to state agencies that have federal programs and other third party programs to allow them to operate until reimbursement is received.
2. Outstanding inter-entity loans for FY2002 averaged $42,785,166.
3. Interest rates are projected at 2% for FY2003, 2.75% fro FY2004 and 3.5% for FY2005
4. Under HB16, agencies are required to certify timely billing for federal programs covered by inter-entity loans.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

None

LONG-RANGE IMPACTS:

The future investment earnings would be dependent upon future interest rates.